

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1169 - SB 1335

February 17, 2019

SUMMARY OF BILL: Establishes statewide, rather than just in Rutherford County, that any applicant for motor vehicle registration who failed to pay wheel tax be responsible for paying all prior years' wheel tax prior to being issued registration.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue - Exceeds \$47,800/One-Time

Assumptions:

- According to the County Officials Association of Tennessee (COAT), 59 counties currently levy a wheel tax in conjunction with vehicle registration renewal.
- Subtracting Rutherford County, which is the only county to currently require all wheel tax be paid prior to issuing registration, there are 58 counties in Tennessee that levy a wheel tax that must be paid, as a result of this legislation, prior to issuing registration.
- Requiring that vehicle registrants pay all wheel tax due will result in a one-time increase in local government revenue.
- According to COAT, the average wheel tax is \$47.75.
- The number of individuals who owe outstanding wheel tax and will be required to pay such tax in order to be issued vehicle registration is unknown.
- It is reasonably assumed that there are at least 1,000 individuals within the 58 counties who will be required to pay outstanding wheel tax in order to be issued vehicle registration.
- The one-time increase in local government revenue is estimated to exceed \$47,750 (1,000 individuals x \$47.75).
- There will not be a significant decrease in the number of motor vehicle registrations issued as a result of this legislation. Therefore, any additional impact on state revenue, and any other impact to local revenue, is estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jdb